



# **TRI-COUNTY INDEPENDENT LIVING CENTER OF UTAH, INC.**

## **Financial Statements**

**With Auditors' Report Thereon  
and Additional Information**

**For the Year Ended June 30, 2008**

# TRI-COUNTY INDEPENDENT LIVING CENTER OF UTAH, INC.

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# Ulrich & Associates, PC

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Tri-County Independent Living Center of Utah, Inc.

We have audited the accompanying statement of financial position of Tri-County Independent Living Center of Utah, Inc. (a non-profit organization) as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Tri-County Independent Living Center of Utah, Inc. as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2009, on our consideration of Tri-County Independent Living Center of Utah, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Ogden, Utah  
February 2, 2009

**TRI-COUNTY INDEPENDENT  
LIVING CENTER OF UTAH, INC.**

**Statement of Financial Position**

**June 30, 2008**

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**Assets**

Current assets

Cash and cash equivalents	\$ -
Grants receivable	155,909
Prepaid expenses	<u>10,256</u>

Total current assets	<u>166,165</u>
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Furniture and equipment, at cost, net	<u>89,400</u>
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Total assets	<u><u>\$ 255,565</u></u>
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**Liabilities and Net Assets**

Current liabilities	\$ 21,422
Bank overdraft	<u>27,247</u>

Total liabilities	<u>48,669</u>
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Net Assets

Unrestricted	192,658
Temporarily restricted	<u>14,238</u>

Total net assets	<u>206,896</u>
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Total liabilities and net assets	<u><u>\$ 255,565</u></u>
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See accompanying notes to financial statements

# TRI-COUNTY INDEPENDENT LIVING CENTER OF UTAH, INC.

Statement of Activities  
For the Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>Public Support and Revenue</u></b>			
Public support			
Grants	\$ -	527,506	527,506
Contributions	11,103	-	11,103
Fund raising	2,054	-	2,054
Other income	655	-	655
In-kind contributions	22,828	-	22,828
	36,640	527,506	564,146
Net assets released from donor restrictions	513,268	(513,268)	-
Total revenue and other support	549,908	14,238	564,146
<b><u>Expenses</u></b>			
Program services			
Independent living	426,466	-	426,466
Support services			
Management and general	123,131	-	123,131
Fund raising	3,189	-	3,189
Total expenses	552,786	-	552,786
Change in net assets	(2,878)	14,238	11,360
Net assets, beginning of year	195,536	-	195,536
Net assets, end of year	\$ 192,658	14,238	206,896

See accompanying notes to financial statements

# TRI-COUNTY INDEPENDENT LIVING CENTER OF UTAH, INC.

## Statement of Functional Expenses For the Year Ended June 30, 2008

	<b>Program Services</b>	<b>Supporting Services</b>		
	<b>Independent Living</b>	<b>Management And General</b>	<b>Fund Raising</b>	<b>Total</b>
Salary and wages	\$ 189,072	47,565	1,189	237,827
Payroll taxes and benefits	37,308	9,386	235	46,928
Travel (out-of-state)	6,771	356	-	7,127
Travel (in state)	6,428	714	-	7,142
Supplies	5,649	5,649	-	11,297
Contractual	-	31,251	-	31,251
Telephone	9,766	2,442	-	12,208
Space costs	31,742	10,581	-	42,323
Insurance	14,966	1,663	-	16,629
Maintenance and repairs	2,845	316	-	3,161
Dues and subscriptions	939	1,408	-	2,347
Licenses and permits	-	330	-	330
Staff training	8,109	901	-	9,010
Advertising	5,064	563	-	5,627
Program specific expense	3,075	-	-	3,075
Utilities	9,433	1,048	-	10,481
Postage	1,954	217	-	2,171
Expendable equipment	9,125	1,014	-	10,139
Miscellaneous	4,371	486	-	4,857
Vehicle expense	8,509	-	-	8,509
Fundraising expense	-	-	1,765	1,765
Unrestricted expense	11,027	-	-	11,027
Grant specific expenses	25,233	2,804	-	28,037
Total expenses before depreciation and in-kind expenses	391,386	118,693	3,189	513,268
In-kind expenses	17,328	-	-	17,328
Depreciation	17,752	4,438	-	22,190
Total Expenses	\$ 426,466	123,131	3,189	552,786

See accompanying notes to financial statements

# TRI-COUNTY INDEPENDENT LIVING CENTER OF UTAH, INC.

## Statement of Cash Flows For the Year Ended June 30, 2008

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### Cash Flows from Operating Activities

Increase in net assets	\$ 11,360
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	22,190
(Increase ) decrease in operating assets	
Accounts receivable	(20,642)
Prepaid expenses	(1,735)
Increase (decrease) in operating liabilities	
Accounts payable	8,139
	<hr/>
Net cash used in operating activities	7,952

### Cash Flows from Investing Activities

Purchase of equipment	<hr/> (5,500)
Net cash used in investing activities	<hr/> (5,500)
Net decrease in cash and cash equivalents	13,812
Cash and cash equivalents at beginning of year	<hr/> (41,059)
Cash and cash equivalents at the end of year	<hr/> <hr/> \$ (27,247)
Shown on balance sheet as	
Cash and cash equivalents	-
Bank overdraft	<hr/> <hr/> \$ (27,247)

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See accompanying notes to financial statements

# **TRI-COUNTY INDEPENDENT LIVING CENTER OF UTAH, INC.**

## **Notes to Financial Statements**

**June 30, 2008**

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### **Note 1 - Summary of Significant Accounting Policies**

#### **Organization**

Tri-County Independent Living Center of Utah, Inc. (the Center) is a Utah not-for-profit corporation organized for the purpose of providing services, training and counseling to disabled persons. The Center was incorporated and began operations in 2000.

#### **Fund Accounting**

The accompanying financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

*Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes. The Center had no permanently restricted net assets.

#### **Property and Equipment**

The policy of the Center is to capitalize all expenditures for equipment with a life greater than one year and cost in excess of \$1,000. Purchased equipment is recorded at cost and donated equipment is recorded at fair value at the date of contribution. Depreciation is computed using the straight-line method over the useful lives of the assets which range from three to seven years. Depreciation expense was \$22,190 for the year ended June 30, 2008.

#### **Funding Sources**

The Center is mainly funded by grants from Utah State Office of Education - Division of Rehabilitation Services. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.



# **TRI-COUNTY INDEPENDENT LIVING CENTER OF UTAH, INC.**

## **Notes to Financial Statement - Continued**

**June 30, 2008**

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### **Note 1 - Summary of Significant Accounting Policies - continued**

#### **Funding Sources - continued**

State funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both if Tri-County Independent Living Center of Utah, Inc. fails to comply with the terms of the grants/contracts, and may discontinue future grants to the Center.

#### **In-Kind Contributions**

Contributions of service, supplies, and facilities can be made to the Center by individuals and business organizations. Services contributed are recognized as in-kind contributions based on the hours of service received times a normal hourly rate for the service performed. The Center had no contributions of service during the year.

Supplies contributed are recognized as in-kind contributions based on their fair market value. The Center received donated equipment and supplies of \$12,180 during the year ended June 30, 2008.

Contributed use of facilities are based on the fair market value received. The Center received a reduction in cost of the office space they are occupying. The donation was valued at \$10,648 for the year ended June 30, 2008.

#### **Cash and Cash Equivalents**

The Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude endowment cash and cash equivalents.

#### **Investments**

The Center had no investments during the year.

#### **Income Taxes**

The Center is a nonprofit corporation and is exempt from income taxes under section 501 (c) (3) of the Internal Revenue Code.

# TRI-COUNTY INDEPENDENT LIVING CENTER OF UTAH, INC.

## Notes to Financial Statement - Continued

June 30, 2008

### Note 1 - Summary of Significant Accounting Policies - continued

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### Note 2 - Cash

At year end the Center's bank balances totaled \$23,757. The Bank balance was covered 100% by federal depository insurance.

### Note 3- Property & Equipment

Property and equipment at June 30, 2008 consists of the following:

Furniture and equipment	\$ 169,717
Accumulated depreciation	(80,317)
Total fixed assets, net	<u>\$ 89,400</u>

### Note 4 - Temporarily Restricted Net Assets

Net assets were released from donor restrictions by incurring expenses to satisfy restrictions specified by donors as follows:

State Office of Education, Department of Rehabilitation Services	\$ 470,121
Various other grants	43,147
Total Restrictions Released	<u>\$ 513,268</u>

Temporarily restricted net assets are available for the following purposes:

Outreach	<u>\$ 14,238</u>
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**TRI-COUNTY INDEPENDENT  
LIVING CENTER OF UTAH, INC.**  
**Notes to Financial Statement - Continued**  
**June 30, 2008**

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**Note 4 - Temporarily Restricted Net Assets - continued**

The Center has no temporarily restricted net assets with a time restriction, or permanently restricted net assets.

**Note 5 - Retirement Plan**

The Center supports a SEP retirement plan that covers employees after 90 days of employment. The Center currently contributes 5% of each eligible employee's wages to the plan. Contributions for the fiscal year ending June 30, 2008 were \$8,154.

**Note 6 - Commitment**

The Center leases its facility and entered into a new agreement in August 2004, with the current lease period ending June 30, 2009. Lease expense (after contribution back) for the fiscal year ending June 30, 2008 was \$37,792. Future required lease payments are as follows:

Year Ending	
June 30	
2009	37,792
	<u>\$ 37,792</u>

**Note 7 - Risk Management**

The Center is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Center carries commercial insurance.

**Note 8 - Major Funding Source**

The Center received 83.3% of its funding for the year from a grant from the Utah State Office of Rehabilitation. Loss of this funding source would have a severe impact on the Center's operations and its ability to continue in existence without additional funding. Management anticipates a continuation of this funding.

**TRI-COUNTY INDEPENDENT  
LIVING CENTER OF UTAH, INC.**  
**Notes to Financial Statement - Continued**  
**June 30, 2008**

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**Note 9 - Grant Accounting**

Certain granting agencies require the Center to report using a regulatory basis of accounting. This represents a comprehensive basis of accounting which differs from generally accepted accounting principles. The regulatory basis of accounting differs from generally accepted accounting principles in the treatment of property and equipment and depreciation which are accounted for on a cash basis.

The total functional expenses for the year ended June 30, 2008 reflected under generally accepted accounting principles reconciles to total expenditures reflected using the regulatory basis of accounting as follows:

Total functional expenses -	
(GAAP basis)	\$ 552,786
Depreciation	(22,190)
Purchase of equipment	<u>5,500</u>
Total functional expenses -	
Regulatory basis	<u><u>\$ 536,096</u></u>

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## **SUPPLEMENTARY INFORMATION**

**(Regulatory Basis)**

# **Ulrich & Associates, PC**

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION**

To the Board of Trustees of  
Tri-County Independent Living Center of Utah, Inc.

Our report on our audit of the basic financial statements of Tri-County Independent Living Center of Utah, Inc. for the year ended June 30, 2008 appears in the first section of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying additional information, prepared on a regulatory basis of accounting is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Ulrich & Associates, P.C.*

Ogden, Utah  
February 2, 2009

# TRI-COUNTY INDEPENDENT LIVING CENTER OF UTAH, INC.

## Statement of Revenues and Expenditures by Program (Regulatory Basis of Accounting)

For the Year Ended June 30, 2008

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
<b><u>Revenues</u></b>			
Grants	\$ 527,506	-	527,506
Contributions	-	11,103	11,103
Fund raising	-	2,054	2,054
Other income	-	655	655
In-kind contributions	-	22,828	22,828
Total revenues	<u>527,506</u>	<u>36,640</u>	<u>564,146</u>
<b><u>Expenditures</u></b>			
Salary and wages	237,827	-	237,827
Payroll taxes and benefits	46,928	-	46,928
Travel (out of state)	7,127	-	7,127
Travel (in state)	7,142	-	7,142
Supplies	11,297	-	11,297
Contractual	31,251	-	31,251
Telephone	12,208	-	12,208
Space costs	42,323	-	42,323
Insurance	16,629	-	16,629
Maintenance & repairs	3,161	-	3,161
Dues & subscriptions	2,347	-	2,347
Licenses and permits	330	-	330
Staff training	9,010	-	9,010
Advertising	5,627	-	5,627
Program expenses	3,075	-	3,075
Utilities	10,481	-	10,481
Postage	2,171	-	2,171
Expendable equipment	10,139	-	10,139
Miscellaneous	4,857	-	4,857
Vehicle expenses	8,509	-	8,509
Grant specific expenses	28,037	-	28,037
Unrestricted expense	11,027	-	11,027
Fundraising expense	1,765	-	1,765
In-kind expense	-	22,828	22,828
Total expenses	<u>513,268</u>	<u>22,828</u>	<u>536,096</u>
Excess of revenues over expenditures	<u>\$ 14,238</u>	<u>13,812</u>	<u>28,050</u>

# TRI-COUNTY INDEPENDENT LIVING CENTER OF UTAH, INC.

## Statement of Revenues and Expenditures Compared to Budget (Regulatory Basis of Accounting)

For the Year Ended June 30, 2008

	Approved Budget	Actual	Favorable (Unfavorable) Variance
<b><u>Revenues</u></b>			
Grants	\$ 507,971	527,506	19,535
Contributions	4,000	11,103	7,103
Fund raising	-	2,054	2,054
Other income	20,000	655	(19,345)
In-kind contributions	25,000	22,828	(2,172)
Total revenues	556,971	564,146	7,175
<b><u>Expenditures</u></b>			
Salary and wages	204,593	237,827	(33,234)
Payroll taxes and benefits	66,500	46,928	19,572
Travel (out of state)	5,020	7,127	(2,107)
Travel (in state)	24,623	7,142	17,481
Office supplies	15,700	11,297	4,403
Contractual	35,010	31,251	3,759
Telephone	6,400	12,208	(5,808)
Space costs	48,800	42,323	6,477
Insurance	19,263	16,629	2,634
Maintenance and repairs	-	3,161	(3,161)
Dues and subscriptions	1,785	2,347	(562)
Staff training	5,767	9,010	(3,243)
Advertising	3,400	5,627	(2,227)
Program expenses	-	3,075	(3,075)
Utilities	8,941	10,481	(1,540)
Postage	3,000	2,171	829
Expenditure equipment	16,268	10,139	6,129
Miscellaneous	20,701	4,857	15,844
Vehicle expenses	6,700	8,509	(1,809)
Grant specific expenses	30,000	28,037	1,963
Unrestricted expense	4,000	11,027	(7,027)
Fundraising expense	-	1,765	(1,765)
DSPD expense	5,500	-	5,500
In-kind expense	25,000	22,828	2,172
Total expenses	556,971	535,766	21,205
Excess of revenues over expenditures	\$ -	28,380	28,380



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## **OTHER REPORTS**

# **Ulrich & Associates, PC**

**Certified Public Accountants**

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of  
Tri-County Independent Living Center of Utah, Inc.

We have audited the financial statements of Tri-County Independent Living Center of Utah, Inc. (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated February 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tri-County Independent Living Center of Utah, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tri-County Independent Living Center of Utah, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Independent Living Center of Utah, Inc's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Tri-County Independent Living Center of Utah, Inc. in a separate letter dated February 2, 2009.

This report is intended solely for the information and use of management, the Board of Directors, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wink & Associates, P.C.*

Ogden, Utah  
February 2, 2009